

5.3

FUNDRAISING

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WRITING FUNDING BIDS

Introduction

Organisations approach funding in many different ways but the reason for it remains the same. For many projects the pressure to keep generating income for survival is immense and can mean that funding applications are made on a reactive rather than strategic basis.

It needs to be recognised from the beginning that funding is a tool that will enable an organisation to achieve things that may otherwise not be possible. However as with any other tool funding needs to be applied correctly if it is to be of any benefit.

Chasing funding indiscriminately is poor practice and can result in an organisation straying from their objectives in order to obtain income and in some cases distorting and deskilling the organisation in the process.

It is evident that people who write successful bids are clear about what the project is for, how it will be delivered and what the result will be for stakeholders (stakeholder meaning a group or an individual who has an interest in or is affected by the proposed project).

What Is The Funding Required For?

It may sound obvious but it is crucial to remain aware that the majority of bids for funding are intended only to assist in the piloting, start-up or development of projects and not to provide a permanent revenue source, regardless of how good or needed the project actually is.

(Sustainability meaning to keep in existence or maintain). Sustainability is a key word in any funders vocabulary and it is therefore vital to consider right from the start how the project will support itself financially after the initial funding period. If an organisation does not have a sufficiently specific sustainability plan and can not show how it will survive after the lifetime of the funding, then the likelihood is that the application will be refused.

The sustainability plan has to be measurable and achievable and should ideally link to the business planning process carried out by the organisation and any partners in the project. Simply referring to plans by the steering group to identify ways to make the project sustainable throughout the lifetime of the project is insufficient.

Relying on one route to project sustainability can be problematic and ideally the funding application should identify a number of ways to continue the project that the funder is 'pump priming'. (Pump prime meaning to encourage the growth or action of something i.e. assisting the start of the project).

The plan for sustainability needs to be linked to the key milestones of the project including time indicators and should clearly state who is responsible for deciding the best way forward and how it will be achieved.

The term 'exit strategy' is often used in this context however in real terms exit strategy means a plan of what will happen at the end of a project and how it will be wound down.

The language used in a funding bid needs to be clear and incorporate what the project will do, who will do it, what will be different because of these actions and how the changes/benefits that have taken place can be demonstrated in terms of achievement. When a clear view of what the project is seeking to achieve has been decided upon, potential funders can be sought. Being clear about what is trying to be achieved makes it easier to search for funders.

Sources of finance and funding for social enterprises include:

- Trading income
- Retained profits
- Bank, community development finance institutions and other loans
- Member share purchase
- Voluntary investment by members
- Grants
- Loans

Social enterprises may qualify for grants in the same way as other types of business. In addition social enterprises in disadvantaged communities, or which address social exclusion, may qualify for start-up and capital grants. However it is important to remember that to rely on grant funding alone is dangerous and can result in a project running only for the lifetime of the funding provided.

Getting Started

When deciding whether to seek funding for a project the organisation should consider some basic questions such as:

- Identified and able to clearly demonstrate the need for the project?
- Gathered information/research material to prove the need?
- Considered whether the project should have partners to help share the workload?
- Decided who within the organisation can drive the project forward and can they show that they are capable of running the project and have enough free time to spend doing so?

Funding Searches

The next step is to draw up a list of potential funders. To do this, you will need to do some research. For example:

- Research potential funders;
- Choose funders whose criteria the project fits;
- Make contact before you prepare your application to ensure your project fits the funders' criteria;
- Find out the funders' timetables or timescales for reply;
- State clearly where you hope to find all the funding.

There are a number of options to look at when searching for funding to get the project started including:

Local Government

It is always a good idea to approach local government to see if there are any funds available to assist local social enterprises.

Regional Funding

A considerable proportion of funding is now distributed at a regional level. Information can be obtained from the DTI and the relevant Regional Development Agency www.dti.gov.uk/regions/index.htm

Central Government Funding

For England the website www.governmentfunding.org.uk is dedicated to giving the voluntary and community sectors access to grants from various central government departments. For Wales, the contact is The Welsh Assembly www.wales.gov.uk

Local Council For Voluntary Services/County For Voluntary Council

A Council For Voluntary Service (CVS), or the Welsh equivalent County For Voluntary Council (CVC), is a voluntary organisation, which is set up, owned and run by local groups to support, promote and develop local voluntary and community action. CVS/CVC's support their members by providing them with a range of services and by acting as a voice for the local voluntary and community sector. The local CVS/CVC will have access to local funding initiatives. To find the nearest CVS contact www.nacvs.org.uk and in Wales www.wcva.org.uk

Lottery

The lottery has a number of funding programmes that assist social enterprises. The following site provides information on how to get Lottery funding, the latest news on the organisations that distribute Lottery money, and case studies on projects that the Lottery has funded in the past. www.lotterygoodcauses.org.uk

Charitable Trusts and Foundations

Some charitable trusts or foundations provide finance for social enterprises, the following websites assist organisations in finding grant funding - Directory Of Social Change www.dsc.org and Funding Information www.fundinginformation.org

Examples of trusts that have supported social enterprises in the past are Esmee Fairbairn Trust www.esmeefairbairn.org.uk the Sainsbury Family Charitable Trust and UnLtd - The Foundation For Social Entrepreneurs www.unltd.org.uk

Loan Finance

A variety of loan finance options are available to social enterprises from banks and building societies to community development finance institutions (CDFI's). Below are some helpful links on this topic:

www.charitybank.org

www.cdfa.org.uk

www.ncvo-vol.org.uk

www.uksif.org

www.financewales.co.uk

All funders publish guidelines that detail what they will and will not support and also offer assistance in submitting an application with regard to the information that organisations need to provide.

Guidance information should be read carefully, read again and read some more! Projects that are dreamt up to fit the priorities of the funder are obvious and are less likely to succeed. It is crucial to check the objectives and funding criteria to ensure that the project will fit. If there is any doubt then a call made to the funder will result in establishing this. Some funders are happy to take telephone enquiries and others may request a project brief prior to accepting an application.

Writing The Application

This is where the case is made for financial support and it must be made well. Remember there is vast competition for support so ensure that the application is well written and clear, fits the funders criteria, is within any deadline date, that all of the questions have been answered and any requested supporting information such as business plans or accounts have been included.

The following questions may help with this process:

- Is the finance plan clear and explicit?
- If the funder has asked for specific outcomes, has the bid demonstrated how they will be addressed?
- Is the language used unambiguous?
- Is the bid interesting?
- Has evidence of the organisations effectiveness that underpins the proposal been brought out in the application?

Acronyms should be avoided unless they are clarified the first time that they are used. Technical jargon and obscure professional language should also be avoided as this masks the meaning of what the bid is actually trying to say.

It is a good idea to get a colleague or external partner to read the application to check for spelling/grammatical errors and also to logic check it. One of the problems with writing bids is that the writer can be too close to it and although may have clear vision as to the project and its aims, forget to include key information.

Application Structure

An application should have clear structure. The following can be used as a guide but always follow the specific guidance provided by the funder.

- Project title
- Introduction - who the organisation is
- Proposal summary
- The problem or need and who will benefit from the project

- What the project aims to achieve
- How it will be achieved
- How results will be monitored
- How much money is needed; and
- How much money will be raised from the organisation and/or other funding sources

Always remember to include in-kind support. For example, if you are being given the hire of a venue for free, have volunteers working for the project or staff seconded from another organisation then spell out that cost-saving - this helps to demonstrate that your application represents value for money.

When putting together your application, always remember:

- **Project Need** : What? Where? When? Aims and Objectives?
- **Beneficiaries** : Why? For whom? Scale of demand and local support?
- **Management** : Who will manage the project? What track record do they have?
- **Budget** : How much will it cost to set up and run? How much money will be raised locally?
- **Match Funding** : From whom does the organisation expect to get the other funding? What assumptions have been made in the calculations?
- **Monitoring** : How will the projects success be measured and what targets will be set?

Practical Tips

- If the Trust or funder has a website, check it out before making the application
- If possible and unless the funder stresses otherwise, type up the application form it is far neater
- Choose any requested referees carefully
- Make sure referees have a copy of the proposal
- If an assessor calls to make an appointment, make sure that there is plenty of time, and peace to speak to them
- Letters of support from relevant prominent people may be useful
- Don't hassle the funders
- Try and raise some money locally as a 'community contribution to the project'
- Don't give up. If in doubt, ask the funder for help

Application Checklist

- Is the application being made to an appropriate funder?
- Does the project fit into the funders priorities and criteria?
- Is the amount being sought in line with the funder's normal range of grants?
- Is the timing right? What is the deadline and when is the money needed by?
- Is the application addressed to the right person at the most recent address?
- Has the project an appropriate title?
- Is the application easy to read with no jargon or abbreviations?
- Is it the right length? Does the application say clearly who the organisation is and what it does?
- Is a contact name, address, telephone and email included?
- Has the project proposal been spelt out clearly - what the money is for and why it is needed?
- Has this been backed up with facts and figures to prove need?
- Does the application include how the money will be used and who will benefit?
- Does the application show other funding to be included as match and has in-kind funding been taken into account?
- Has a detailed sustainability plan been included to show how the project will continue after the funding has ceased?
- Do all the figures add up?
- Have all costs been included and are they realistic?
- Does the project represent 'value for money'?
- Have monitoring and evaluation procedures been included?
- Has the supporting information been included e.g. accounts/business plan?
- Has a copy of the bid been taken for the organisation records?

DEVELOPING RELATIONSHIPS WITH FUNDERS

The best policy for dealing with funders is to treat them as the organisation would treat a client.

Some funders like to be sent ongoing information or to be invited to things to things - openings, celebrations. Others prefer a more arms-length relationship. Developing relationships with those funders that are happy to be involved is important for the organisation and the project. Give funders the opportunity to do more than simply purchase a product - engage them. People fund people and that funding becomes more sustainable when the two are in the relationship, not simply sitting at opposite ends of a funding application.

Always keep funders fully informed as to the progression of projects that they have funded. And always keep a copy of everything that is sent out to potential or actual funders.

Think too about responding (especially to trusts and businesses) which turn down an application for funding. If funding comes from elsewhere consider writing, saying that the organisation understands why they chose not to fund the project on that occasion but thought they might be interested in how things have developed since and flag up forthcoming plans for their interest. Even a rejection can be the opening of a longer term relationship.

FUNDING EXERCISE

The WLP Trust - General Grants Programme

Your trust covers all of the UK and is for 'general charitable purposes' though you specialise in heritage. However, you keep £50,00 a quarter for a general grant programme under which applications of all kinds can be considered on their merits. £5,000 is given in your guidelines as the minimum individual grant and the maximum is the full £50,000. It is the quarterly trustees meeting and you have been working all morning on the main grants. You now have between 30 and 45 minutes remaining to decide the general grants. Unfortunately your Clerk, Brigadier Rainsbury has rung in sick. He has previously circulated the attached list of applications that he has checked out and considers to be good for their kind. **You must now make the decisions.**

York Cathedral Appeal

No amount specified. Appeal target £5 million. The main cathedral appeal this year. Members of the public have donated a total of £520,000 a year (excluding tax) and hope to raise a further £100,00 from Gift Aid payments.

Childline

Big appeal to pay the reversed charges for desperate children (It is a telephone line to help abused children). They want £10,000 from us to pay for the service in the ten most disadvantaged wards in Liverpool.

Wrexham Women's Aid

The only major appeal from Wales this time, for £12,000 a year for three years for a part time worker to encourage mothers to return to work. It's a new project and they've approached six other trusts of which, one has agreed to put in £5,000 a year.

The Music Machine

They commission new music to be performed by entire communities. Last year they had over 4,000 singers in Stafford rehearse and sing a four hour epic. This year they have enthused 8,000 citizens of Portsmouth but need another £10,000 to add to existing sponsorship from local companies. The money will pay the composer and run the show.

Craven College, Fulham

An inner city project to help people who have left school early to go back to studying. They want £15,000 a year for an outreach worker.

Parents Choice

Last year we gave them £5,000 for a training scheme for school governors. From information received, the project went well and this year they have asked for another £5,000 to develop a financial skills course for governors.

Harris Homes

Want £120,000 to buy another house to become a home for adult mentally disabled people in Bolton. They run 15 similar houses all models of their kind. They have not approached us previously, no other income detailed.

Age Concern Oldham

£12,000 to employ a professional negotiator to win contracts from the local authority to provide accommodation for elderly people in the area.

Humberside Wildlife Trust

Require £50,000 to buy a wood threatened by a Tesco development. Wood seems to be unremarkable environmentally but is well used by county's population.

Fifth Ear Project

Teaches severely dyslexic children up to the age of 18 to sight-read music, using it as an unthreatening opportunity for the children to learn skills very close to normal reading. They want £5,000 for an independent evaluation to verify their apparently striking success rate.

Evesham Respite Care

They used trained volunteers to let the carers of older people with dementia have a break. On tapered funding (starting with £13,000 this year) they want £25,000 to develop financial independence through a direct-mail donor base.

Wildlife Rescue

Experts at saving stranded whales, dolphins, horses in canals etc. They are all volunteers and only want £2,500 for VHF radio kit so they can talk to coast guards and the like.

All of the above are eligible for support under our rules.

The case study applications should promote a debate around who should be funded. There is no right or wrong solution to this exercise as it is purely on individual interpretation and choice. However there has to be a decision reached and it will get the group working together and coming up with a way of reaching the final decision.

The exercise shows just how difficult it is to be in the shoes of the funder and the competition for funds. To even reach this selection stage a bid has to be well written and clear and of interest to the panel.